Discussion on Financial issues with States

982. SHRI DIPANKAR MUKHERJEE: Will the Minister of FINANCE be pleased to state:

(a) what is Government's stand on issues like full devolution of 29 percent State share of Central taxes and duties, treatment of releases under the VDIS as one time grant on standalone basis, timely revision of royalties on major minerals, revision of loan grant mix of the Central loan assistance to enable States to reduce their debts servicing liabilities, creation of a fiscal stabilization fund to help cash starved State Governments;

(b) whether these issues would be discussed and settled in NDC or Inter State Council meeting.

(c) if so, when such meeting will take place; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) The formulation regarding devolution/distribution of finance/assistance between the Centre and State, comes under the aegis of both the Finance Commission and the Planning Commission. The issues relating to Centre-State financial relations including revision of royalties on major minerals and revision of loan-grant mix of central assistance etc. are discussed in fora like inter-State Council and National Development Council, where both Centre and the States are represented. Future course of action is decided based on the consensus arrived at in the meetings of these bodies held periodically.

(d) Does not arise.

Review of Double Taxation Treaty with Mauritius

983. SHRIMATI CHANDRA KALA PANDEY:
SHRI DIPANKAR MUKHERJEE:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are going to review its double taxation treaty with Mauritius in view of its mass scale misuse by foreign capital investors causing loss of revenue to the nation;

(b) if so, by what time such measures will be initiated; and